



## Board of Directors Terms of Reference

### County of Northern Lights Economic Development Advisory Board Member Responsibilities, Code of Conduct, and Conflict of Interest

#### 1. Board of Directors

- a. The powers and duties of the Board shall be as defined in the terms of reference.
- b. The Board exist to provide a framework for the Economic Development Strategy & activities of the Economic Development Department of the County of Northern Lights.
- c. The members of the Board shall be appointed or elected in the manner provided in the terms of reference.
- d. The Board should meet bi-monthly.
- e. Voting members on the Board shall be residents or business owners within the County of Northern Lights Boundaries.
- f. County of Northern Lights council reserves the right to revoke and appoint economic development committee members from the committee.

The Board of Directors will consist out of:

- a. One elected official for the County of Northern Lights
- b. Four community members from the following industries: Oil & Gas, Forestry, Agriculture, Retail.
- c. The Director of Finance (Ex-officio)
- d. Provincial representation (MLA, MP, NADC) (Ex-officio)

#### 2. Relationship between the Board, the Director of Finance and the Staff

- a. The Director of Finance is employed by the County of Northern Lights and not by the Economic Development Board.
- b. The Director of Finance is accountable to the CAO & the County Lights Council.
- c. The Board Chair and/or the Director of Finance are the spokespersons for the Board, unless an alternate is designated by the Board.
- d. The Board can never direct staff or judge staff performance.

#### 3. Board Chair, Vice-Chair, and Director Duties

The Board shall elect annually at the organizational meeting, from among its members, a Chair and Vice-Chair. The Chair and/or Vice-Chair may be removed from office by resolution of the Board.

- i. The Board shall recommend to Council a yearly action plan to include short and long-term objectives, keeping in mind the Economic Development Strategy as approved by Council.
- ii. The Board may be consulted on matters concerning tourism, residential, commercial and industrial development

**a. Duties of the Chair**

- i. To call meetings of the Board to order;
- ii. To preside over all meetings of the Board;
- iii. To appoint Board committee members and committee chairpersons, subject to ratification by the Board;
- iv. To maintain regular liaison with Director of Finance;
- v. To be the spokesperson and representative of the Board for any matter dealt with by Board resolution;
- vi. To perform such other duties as determined by the Board.

**b. Duties of the Vice-Chair**

- i. To perform the duties of the Chair in the absence of the Chair.

**c. Duties of the Directors**

- i. Understanding and supporting the mission of the County of Northern Lights Economic Development Strategy and its department's initiatives.
- ii. Becoming informed about the operations of the County of Northern Lights Economic Development Strategy as well as the board's terms of reference.
- iii. Attending and participating in the decision-making process, and be a sounding board for the Director of Finance on initiatives by the Department of Economic Development and Community Services and assigned committee meetings
- iv. Maintaining communications with the County of Northern Lights Director of Finance throughout your term through e-mail, telephone, and personal contact.
- v. Promoting the Economic Development and the County of Northern Lights whenever and wherever suitable opportunities arise
- vi. Supporting the County of Northern Lights Economic Development's professional staff

**4. Meetings**

**a. General**

The meetings of the Board and its committees shall be governed by:

- i. Terms of Reference of the County of Northern Lights Economic Development Board; and
- ii. Alberta Municipal Government Act; and
- iii. Roberts Rules of Order

**b. Public and In-Camera Meetings**

All Board meetings shall be open to observers from the public unless the matters under Board consideration pertain to:

- i. Board liability and legal opinions respecting to liability of interest of the Board;
- ii. Acquisition, dispositions or security or real property;
- iii. Discussions on the calling of tenders for facilities construction;
- iv. Contracts where it is in the best interest of the organization to maintain confidentiality;
- v. Budget discussions;

- vi. Any other topic which in the opinion of the majority of the members of the Board is of a confidential nature.

**c. Confidentiality**

The details of any matter discussed at an in-camera meeting of the Board shall be held in strict confidence by all those in attendance. By resolution of the Board, any of the matters discussed at an in-camera meeting may be brought forward for discussion at a public meeting.

Specifically, this means that Directors and Officers must accept that decisions are made on a majority basis after due deliberation and that it is the obligation of Board members to abide by and support, rather than undermine them. Equally, Board members may not publicly criticize other Board members or the County of Northern Lights, the Director of Finance or its staff member(s).

**d. Voting**

- i. Each Board member will have one vote. All members, including the Chairman, shall vote on all questions and in the event of a tie, the resolution is lost.
- ii. Members shall abstain from voting when there is an apparent conflict of interest. Members in conflict shall leave the room during the actual vote and discussion.
- iii. To vote a quorum needs to be in place of more than 50% of voting members. If a quorum does not exist no formal decisions will be made during the meeting and votes solicited via email or postponed to the next meeting.
- iv. Neither the Board, nor any member thereof, shall have the power to pledge the credit of the County in connection with any matters whatsoever, nor shall neither the said Board nor any member thereof, have any power to authorize any expenditure to be charged against the County.

**e. Emergency Meetings**

Where deemed necessary by the Chair, emergency in-camera or regular meeting may be called.

**f. Conference Meetings**

A member of the Board may participate in a meeting of the Board or of any committee of the Board by means of a conference telephone, or other communication device by means of which all members participating in the meeting can communicate with each other.

A member participating in accordance with this article shall be deemed to be present at the meeting and shall be counted in the quorum.

**g. Telephone / Email Polling**

A telephone / email poll shall be conducted between meetings if, in the judgement of the Chair, the affairs of the organization would suffer serious harm if a decision on the matter in question were postponed. All Board members, if possible, shall be polled. The results of the telephone / email poll shall be ratified by Board resolution at the next meeting of the Board.

**h. Attendance**

Attendance at the County of Northern Lights Economic Development Board meetings and appointed committee meetings is mandatory. If a Director is unable to attend an appointed committee meeting, regrets are expected to be given to the Director of Finance in advance of the meeting (if possible), so as to allow adequate time to find an alternate representative.

Failure to attend three (3) consecutive Board of Directors meetings will result in termination of the Directors term.

**5. Meeting Notice**

At least 48 hours notice shall be given of all extraordinary Board and committee meetings. Notice of upcoming meetings of the Board shall be given at the previous regular meeting of the Board.

**6. Actions of the Board**

The action of the Board upon any matter coming before it shall be evidenced by resolution, and the entry thereof in the Minutes of the Board shall be prima facie evidence of the action taken.

**7. Circulation of Minutes**

Copies of the Minutes of Board meetings will be sent to members of the Board, the CAO, County Council, the Director of Finance, and may be sent to others or publicly posted at the discretion of the Board.

**8. Indemnification**

The Board hereby agrees that every member and officer of the Board shall be deemed to have assumed office under the understanding that every member of the Board their heirs, executors and administrators and estate and effects of every member or employees respectively shall from time to time and at all time, be indemnified and saved harmless out of the funds of the institution from and against:

- a. All costs, charges, and expenses whatsoever sustained or incurred by every member and officer of the Board and employee of the organization in or about any action, suit or proceeding which is brought commenced or prosecuted against such a member or employee for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by that member and officer of the Board or officer and employee of the organization, in or about the execution of duties performed by that individuals as a member or officer of the Board or as an employee of the organization.
- b. All other costs, charges and expenses sustained or incurred in or about or in relation to the affairs thereof: except such costs, charges or expense, as are occasioned by a

member and officer of the Board or employee of the organization by his or her own willful neglect or default.

**9. Remuneration of Board Members**

Members of the Board shall be reimbursed by the County of Northern Lights for any reasonable travelling and out-of-pocket expenses necessarily incurred by them in the discharge of their duties including mileage allowances for the use of a member’s own automobile while on Board business. These allowances are set-out by the County of Northern Lights Remuneration Policy.

**Honorariums for Members of the Board.<sup>1</sup>**

\$105 – half day or evening less than 4 hours

\$210 – full day or evening more than 4 hours.

**10. Resignation of Members of the Board**

The resignation of a member of the Board shall be made by notice in writing, addressed and delivered to the Board Chair, or Director of Finance.

**11. Code of Conduct**

The following outlines the duties demanded of members of the Board:

- a. **Duty of Integrity** – to act honestly and in good faith
- b. **Duty of Loyalty** – to give his or her loyalty to the County of Northern Lights when acting on behalf of the Board
- c. **Duty of Care** – to act in a prudent and diligent manner, keeping himself or herself informed as to the policies, business and affairs of the organization
- d. **Duty of Confidentiality** – notwithstanding the need of members to make an informed decision on an issue before the Board by obtaining input from internal and external communities, members are to ensure that information which is normally considered confidential (i.e. financial and personnel issues) remains so.
- e. **Duty of Skill** – to use one’s level of knowledge and one’s expertise effectively in dealing with the affairs of the organization.

- 12.** Conduct of members contrary to the above duties may be subject to review by the Board, and subsequent punitive action, similar to Section 16 of the Conflict of Interest guidelines may be imposed. Likewise, the appeal process outlines in Section 15 of the Conflict of Interest guidelines will be made available to either party in a dispute.

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<sup>1</sup> As per the County Remuneration Policy. Director of Finance is excluded from Remuneration as they hold a full-time paid position under the County of Northern Lights

## CONFLICT OF INTEREST

A member of this organization holds a position in trust. As such there is a general obligation on his / her to avoid situations of conflict of interest. Each member, regardless of how he / she becomes a member, has a responsibility first and foremost to the welfare of the organization and must function primarily as a member of the Board, not as a member of any particular constituency.

Give the nature of the Board activities, internal members of the Board will occasionally find themselves in potential conflict of interest situations dissimilar to most appointed Board members. The conflict of interest and other associated sections are intended to clarify both general areas of conflict for all board members as well as address situations in which internal members could expect to find themselves in conflict. The constituent specific guidelines are intended to be parallel to the historical nature of interest conflicts. That is, those of primarily a pecuniary interest.

### 13. Conflict of Interest Defined

A conflict of interest arises when a Board member's private interest supersedes or competes with his / her dedication to the interests of the organization. This could arise from real, potential or apparent Conflict of Interest for a Board member or related persons and may be financial or otherwise. For this purpose:

- a. A "Real Conflict of Interest" occurs when a Board member exercises an official power or performs an official duty or function and at the same time, knows that in the performance of this duty or function or in the exercise of power there is the opportunity to further a private interest.
- b. A "Potential Conflict of Interest" occurs when there exists some private interest that could influence the performance of a member's duty or function or in the exercise of power provided that he or she has not yet exercised that duty or function.
- c. An "Apparent Conflict of Interest" exists when there is a reasonable apprehension, which reasonable well-informed persons could properly have, that a Real Conflict of Interest exists on the part of the member.
- d. A pecuniary interest exists when a contract or other matter of a monetary nature is before the Board which:
  - i. affects a private company in which a member or related persons are a proprietor or shareholder;
  - ii. affects a public company in which the member, or related persons hold more than 10% of the shares issued of that public company;
  - iii. affects a partnership or firm in which the member, or related persons are a member;
  - iv. affects a corporation in which the member is a director;
  - v. affects an organization in which the member is a senior officer;

- vi. affects a private society, crown corporation or other organization in which the member by virtue of office holds a position of influence.

#### **14. Declaration of Conflict**

- a. Board members must arrange their private affairs and conduct themselves in a manner to avoid a conflict of interest. In cases where conflict cannot be avoided, a Board member has an obligation to declare a conflict of interest prior to discussions or decisions of an issue. Upon declaration of a conflict the person recording the events of the meeting should duly note the declaration and the Board member must:
  - i. In and in-camera or committee meeting, absent himself / herself from the proceedings during discussion or voting on that particular matter, contract or arrangement;
  - ii. In a public session, refrain from discussion or voting on that particular matter, contract or arrangement.
- b. Where a Board member is unsure of whether he / she is in conflict that member should raise the perceived potential conflict with the Board, and the Board should determine by majority vote whether or not a conflict of interest exists. The member perceived to be in conflict should refrain from voting on the issue.
- c. Where a conflict of interest is discovered after consideration of a matter, the conflict must be declared to the Board and appropriately recorded at first opportunity. If the Board determines that involvement of said member influenced the decision of the matter, the Board shall re-examine the matter and may rescind, vary, or confirm its decision.
- d. Any Board member who perceives another member to be in conflict of interest in a matter under consideration must identify the perceived conflict to the Board at the first opportunity. The Board should determine by majority vote whether or not a conflict of interest exists and the member perceived to be in conflict should refrain from voting.
- e. Where a Board member has been declared by vote to be in conflict of interest, and that member is in disagreement with the decision of the Board, he / she may appeal the decision through the steps outlined in Section 15. Until the appeal process is completed, the Board member perceived to be in conflict either stands aside on the given issue or continues at risk of acting in conflict and being subject to the associated penalty(s).
- f. At the discretion of the Board, the Board may invite the member in conflict to state his / her position on the issue in question prior to absenting himself / herself.

#### **15. Appeal of Declaration of Conflict**

- a. If a Board has exhausted all possible means of resolving a conflict of interest declaration and the Board member(s) in question and the Board are still at an impasse, then, the determination of conflict shall be referred to a third-party adjudicator. Any costs associated with this appeal process will be the responsibility of the initiating Board.

- b. The process of appealing a declaration of conflict will require the following:
  - i. the Board shall request that Director of Finance identify an adjudicator to review and make a determination on a perceived conflict of interest;
  - ii. the Board shall submit a report to the adjudicator and a copy to the member in question within seven days of the request of request for adjudication, documenting the nature of the perceived conflict, and the background leading to the impasse;
  - iii. the Board member(s) perceived to be in conflict shall submit a report to the adjudicator and a copy to the Board within seven days of the request for adjudication documenting the nature of the perceived conflict, their rationale for not being in conflict and the background leading to the impasse;
  - iv. The adjudicator(s) shall review the documentation, gather any other additional information required to make an informed decision, and provide the Board with a determination on the declaration of conflict of interest within two weeks of receiving the request for adjudication or may, if further review is necessary, request an extension from the parties involved.

**16. Punitive Action Associated with Conflict of Interest**

- a. A second role for the adjudicator is to recommend to the Board any punitive action to be directed to a Board member deemed to be in conflict. The Board shall have the power and ability to impose punitive action including one or more of the following:
  - i. Letter of reprimand;
  - ii. Suspension of a Board member from the Board for a determined period of time;
  - iii. Recommendation that a Board member resign from the Board;
  - iv. For external members, recommendation that the appointment be rescinded.

Read and Signed by

Director (Print): \_\_\_\_\_ Signature: \_\_\_\_\_

Witness (Print): \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_

A copy of this signed policy will remain on file at the County of Northern Lights office. This document will be resigned at the first Board of Directors meeting following the organizational meetings each year.

## **SCHEDULE A**

### **TERMS OF REFERENCE COUNTY OF NORTHERN LIGHTS ECONOMIC DEVELOPMENT BOARD**

**Purpose:**

To act as an advisory board to the County of Northern Lights Economic Development Department and in so promote entrepreneurship, attract economic investment, and enable business development within the County of Northern Lights. <sup>2</sup>

**Responsibilities:**

1. Prepare annual economic development goals for the County of Northern Lights, based on the County of Northern Lights Economic Development Strategy.
2. Activities of the Board are to be influenced by four inter-related activities:
  - a. Resources and actions which will assist in the retention of existing business;
  - b. Resources and actions which will lead to the expansion of existing business;
  - c. Resources and actions which will attract new business and investment; and
  - d. Resources and actions which will encourage entrepreneurship.
3. The board will support the Economic Development Strategy as approved by Council with as primary goals: <sup>3</sup>
  - a. Collaborate on a workforce development initiative,
  - b. Support a resilient business climate
  - c. Nurture local entrepreneurs.
4. The Board may submit written suggestions to Council at any time regarding the direct economic implications of:
  - a. any item that is not covered in a plan already adopted by Council.
  - b. changes to service levels.
  - c. changes to future projects or development priorities as stated in an adopted plan of council.
5. The board's authority does not extend to personnel matters or day to day operational matters.
6. Utilize the assistance of, and participate in the activity of, the County of Northern Lights Economic Development & Community Services Department and other related economic development and tourism organizations.
7. To act on all matters referred to the Board by Council.

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<sup>2</sup> Economic Strategic Plan by Western Management Consulting

<sup>3</sup> Marketing & Economic Development Plan Refresher 2014 by InnoVisions & Associates